



## DROP DISTRIBUTION ELECTION FORM ALTERNATE PAYEE

### ALTERNATE PAYEE INFORMATION

LAST NAME FIRST NAME MIDDLE NAME

ADDRESS

PHONE NUMBER

DATE OF BIRTH

EMAIL ADDRESS

### TAX INFORMATION

All distributions from a DROP account (that have not been previously taxed) are subject to a mandatory minimum twenty percent (20%) withholding for federal income tax unless the withdrawal is transferred directly by the Fund to an Individual Retirement Account (IRA).

To the extent permissible under federal tax laws, payment of a DROP benefit can be made to an alternate payee of a DROP participant in the following forms:

- a single-payment distribution made at a time selected by the alternate payee, but not later than April 1 of the year after the alternate payee attains 70 ½ years of age; or
- in not more than **four (4) payments**, which may be equal or unequal (as the alternate payee may determine), all of which must occur no later than April 1 of the year after the alternate payee attains 70 ½ years of age.

*Notwithstanding the above, all distributions must comply with distribution provisions of the Fund's governing statute and rules and the required minimum distribution rules under Section 401(a)(9) of the Internal Revenue Code and the regulations promulgated thereunder.*

### ADDITIONAL DISTRIBUTIONS

To request additional distributions from your DROP Account (up to a **maximum of four (4) total distributions**), you must submit a new DROP Distribution Election Form (Alternate Payee) to the Pension Office. The remainder of your DROP Account must be withdrawn in its entirety no later than April 1<sup>st</sup> of the calendar year after the calendar year in which you reach age 70½ if you have not already withdrawn the entire balance by such time.

## DISTRIBUTION OPTIONS

Please indicate your distribution election below:

\_\_\_\_\_ **FULL ROLLOVER.** I choose to have my entire DROP account balance rolled over into an IRA. No federal income tax will be withheld. *(You must also complete the Lump Sum Distribution Rollover Form.)*

\_\_\_\_\_ **PARTIAL ROLLOVER.** I choose to have a partial payment of \$\_\_\_\_\_ of my DROP Account balance rolled over into an IRA. No federal income tax will be withheld from this portion. Except as otherwise elected on this form, any remaining balance of my DROP account will remain in the Fund until further instructions are given or such funds must be distributed in accordance with the terms of the Fund or applicable law. *(You must also complete the Lump Sum Distribution Rollover Form.)*

\_\_\_\_\_ **FULL DIRECT DISTRIBUTION TO PARTICIPANT.** I choose to have my entire DROP Account balance (less required withholding) made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. *(You must also complete the Direct Deposit Form.)*

\_\_\_\_\_ **PARTIAL DISTRIBUTION TO PARTICIPANT.** I choose to have a partial payment of \$\_\_\_\_\_ of my DROP Account balance made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. Except as otherwise elected on this form, any remaining balance of my DROP account will remain in the Fund until further instructions are given or such funds must be distributed in accordance with the terms of the Fund or applicable law. *(You must also complete the Direct Deposit Form.)*

\_\_\_\_\_ **PARTIAL ROLLOVER AND PARTIAL DISTRIBUTION.** I choose to have a partial payment of \$\_\_\_\_\_ of my DROP Account balance rolled over into an IRA. No federal income tax will be withheld from this portion. The remaining balance of my DROP Account (less required withholding) will be made payable to me and directly deposited into the bank account on file with the Fund. I understand that the Fund will withhold 20% from this distribution, unless I submit a Form W4-R electing a greater percentage of federal income tax withholding. *(You must also complete the Lump Sum Distribution Rollover Form and Direct Deposit Form.)*

**ACKNOWLEDGEMENT AND SIGNATURE**

By signing below, I certify to the Austin Firefighters Retirement Fund (the "Fund") that the information above is true and correct. I authorize and direct the Fund to make a distribution from my DROP Account in accordance with the election(s) above, if applicable. I acknowledge that I have received the AFRF Special Tax Notice prior to signing this form and waive the requirement of 30 days' notice. I understand that it is my responsibility to pay any taxes or penalties as a result of this distribution in accordance with current tax law and guidance.

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Alternate Payee's Signature

Date

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Alternate Payee's Printed Name

**Please send completed form to:**

Austin Firefighters Retirement Fund  
4101 Parkstone Heights Drive, Suite 270, Austin TX 78746  
Or email [staff@AFRFund.org](mailto:staff@AFRFund.org) to request a secure digital submission link.